



GOVERNMENT OF PUERTO RICO

Office of the Governor

Good afternoon Puerto Rico:

Besides paying attention to the public health care of our people, which is in the hands of the group of medical experts that we have appointed, at this time of crisis, one of the main concerns of our government focuses on how we preserve our social structure:

How do we do it, so that when the crisis ends, we have protected the physical, mental and economic health of our families, our communities, and all our citizens.

Therefore, we acted quickly to protect our people, by asking everyone to stay at home, in social distancing, as a measure to prevent the spread of the virus.

Similarly, we took care of giving continuity to providing essential services, making supermarkets, pharmacies, gas stations, banks, and medical attention through telemedicine available, among other services included in our Executive Order.

Now, guaranteeing social stability depends, in large part, on how we articulate an economic plan that allows us to respond effectively to this crisis, protecting our families and the productive sectors of Puerto Rico.



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First, we have determined to continue paying the wages of the public sector employees, who are part of the central government. We are talking about 134,200 workers from agencies and public corporations. No one will stop collecting their paychecks during the period that this emergency lasts.

We have urged the mayors to do the same, so that we can protect the income of the 51,500 employees who work in our municipalities.

In another segment, there are the workers in the private sector, which is the largest labor group and which, in the midst of this crisis, is the most fragile. We are talking, about 170,000 self-employee workers, which includes 19,000 agricultural workers, and 44,000 from the construction industry.

We know that this public health crisis affects our businesses, particularly small and medium-sized entrepreneurs, as well as the construction, manufacturing, and agricultural industries. It also adversely affects many independent professional workers, mainly linked to the service industry.

Our government is committed to all workers and employers in the country; therefore, we will do everything we have to do to prevent this emergency from having further ulterior effects on the productive sector.



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Let there be no doubt that I will use all my constitutional powers to ensure that the most vulnerable have security and are not left unprotected.

For this reason, we have worked on a first series of short-term economic and fiscal initiatives, which already will be available.

FIRST, I have instructed the Department of the Treasury to:

- extend the period of income tax payments until July 15.
- suspend the collection of the IVU in the docks and in the resale chain for the next 3 months.
- Suspend for a period of 3 months the 10% withholding for payment for professional services.
- Not to impose penalties for non-compliance with the biweekly IVU filing for two months; nor impose penalties for non-compliance with the payment of the first installments of the estimated tax returns.

To alleviate the pocket of our working class, we are going to give an incentive of \$500 in cash to all self-employed workers, who are made up of 170,000 people in Puerto Rico. It is a measure to help mitigate any emergency situation they may be facing.



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The benefit for self-employed workers has an economic impact of \$100 million dollars and has already been discussed and approved by the Financial Oversight Board. This subsidy will begin to be sent starting this week.

In the same way, we will be monitoring the result of the federal stimulus packages, to consider additional measures.

SECOND, we have determined that, through the Department of Economic Development, we will allocate a contribution of \$1,500 as an incentive for all small and medium sized companies that have ceased operations in the midst of this crisis.

This assistance has an impact of \$60 million dollars, and we are going to follow the same protocol that we established with the aid that we offered to business in the southwest region of the Island to mitigate the impact of earthquakes. For this assistance, we will focus on employers in small and medium businesses, with 50 employees or less, who do not qualify for federal aid.

THIRD, a bonus of up to \$4,000 is established for all nurses in the public and private systems and up to \$2,500 for health technicians who assist in these tasks; for a total of \$187 million.



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A contribution of up to \$4,000 is designated for emergency medical response personnel and a contribution for a total of up to \$3,500 dollars for police, fire and correctional officers, among others; for a total of an additional \$50 million dollars.

A total of \$240 million will be awarded for the purchase of tablets, software, and training for approximately 325,000 teachers, students, and directors of the Department of Education, to promote distance and online education.

A total of \$30 million distributed in \$15 million per month for two months is available to assist in the purchase of equipment in public hospitals, to replenish all purchases in response to the emergency related to Covid-9.

A total of \$20 million are available for the purchase of equipment necessary for the security component of the Department of Public Security, meaning, the Puerto Rico Police, such as gloves, masks and hand sanitizers, among others.

A total of \$50 million, has been identified, to be distributed over 2 months, for those losses that may have affected the municipalities due to the emergency. The government will establish the requirements to evidence such losses and request reimbursement.



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The foregoing represents a total of \$787 million, which we are putting in the hands of the people to mitigate the impact of COVID-19.

FOURTH, we have been able to have the Board authorize an increase in unemployment benefits starting as of July 2020. I have also instructed not to suspend the water and electricity services. Also, as to roads, no tolls will be charged during this emergency.

FIFTH, the Department of Labor will coordinate with the federal government to offer unemployment assistance to self-employed workers. This is important, because it is a benefit that, usually, is not provided in this sector.

We will do the same for those who are ordered to take unpaid leave and do not qualify for unemployment payments or sick leave. The unemployment benefit will apply to part-time workers who have worked in at least two quarters of the basic period.

SIXTH, as an economic measure, we will promote teleworking or arranging to work from home throughout the government through the use of technology, whenever possible and while the Executive Order is in force.



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For these purposes, we are going to order all secretaries and agency heads to present to us in the next 48 hours a plan for all those areas that can operate though remote work, including services of independent contractors, professional service providers, businesses, private suppliers and non-profit organizations.

It is important to note that using the alternative of teleworking or remote work may not be interpreted as an exception to complying with the measures of social distancing and curfew, as ordered by the Executive Order.

SEVENTH, I take this opportunity to report that, in conversation with the presidents of the banks, a 90-day moratorium period has been established for the payment of mortgage loans, automobile loans, personal loans, commercial loans and credit card debt. This benefit will also be available for members of the cooperatives.

You are only required to call your financial institution and request the moratorium, because it is not an automatic process. This is an important news because it represents a direct relief to the workers' pockets. It is important to have one thing clear; the moratoriums will not affect the credit scores of individuals or companies.



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This will be one of the most comprehensive and ambitious packages that have been provided to deal with this crisis. Much more comprehensive measures than those offered nationwide. For example, California announced a \$500 million package and Washington State a \$200 million package. We announced a first package of almost a billion dollars for our Puerto Rican people, achieved in conjunction with the Financial Oversight Board.

We thank the Financial Oversight Board, its president, Jose Carrion III, and its executive director, Natalie Jaresko, for working together for the benefit of all Puerto Ricans.

Fellow Puerto Rican's: the measures we are taking will help us mitigate the economic impact of the crisis we are experiencing.

There are other measures that are still under evaluation and that we will communicate in a timely manner; in particular, those that relate to other sectors of the economy, such as tourism.

In this difficult moment that we face as a country, we must be united, our enemy is Covid-19. We are going to overcome this virus as one country. Let's put all our hope on overcoming this. Altogether, in solidarity, we will overcome this public health crisis.



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Let us keep in mind that the first priority is the health and protection of the life of all our citizens. Because of that the insistence on taking care of ourselves, protecting ourselves and staying at home.

WE WILL WIN THIS WAR WITH ALL PUERTORICANS TOGETHER

May GOD bless you and every family.

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